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storage of purchasing power" (p. 157). From the present reviewer's standpoint the work has nothing to commend it, either in its constructive or its critical aspects. Mr. Carlile seems incapable of fair and intelligent criticism.

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Problems in Railway Regulation. By HENRY S. HAINES. New York: Macmillan, 1911. 8vo, pp. 521.

The author is ex-president of the American Railway Association, and ex-vice-president of the Plant System of Railway and Steamship lines. This is the third book which he has published since 1906 on subjects connected with the government regulation of railways. The earlier works were based on lectures delivered at the Boston University School of Law, and were to a considerable extent historical in character; the volume under review discusses current problems. An enumeration of the subjects dealt with will indicate the wide field covered. Chaps. i-vi are historical. Chaps. vii and viii take up railroad promotion, consolidation, valuation, and capitalization. Chap. ix considers the regulation of construction, grade crossings, the battle of the gauges, and the merits of electricity as a motive power. Chap. x treats of accidents and car shortage, chap. xiv of labor; and the rest of the book is concerned with rates.

The attitude is distinctly critical. "Instead of undertaking to regulate all things by the prescience of our finite wisdom," Mr. Haines remarks, "it might be well to leave some of them to be determined by that orderly evolution of events which is designated as Providence" (p. 516). And again, "Railroad corporations are now substantially stripped of the peculiar powers and privileges which they so long enjoyed with actual freedom from external restraint. There remains to them little more than the exercise of the early franchise of a joint-stock company for trading purposes, under the vaguely defined restrictions of the Anti-Trust law" (pp. 491-92).

The reviewer is not altogether out of sympathy with a good deal of this discussion. Whether it be well founded or not, however, there is no excuse for the carelessness with which the facts and figures in the volume have been compiled. Mr. Haines has relied on his memory for statements of fact, and has apparently let a great many of his statistics go in without checking. The following examples of inaccuracy will perhaps suffice. The author says that the Massachusetts Railroad

Commission was established in 1879 (p. 66). It was in fact established in 1869. He says that the government loan to the Central Pacific and Union Pacific companies was repaid ten years or so after these roads were put in operation (p. 183). Instead of this the loans ran for thirty years, and did not fall due until the period 1895-99. The last payment by the Central Pacific was not made until 1908. It is not true, as Mr. Haines alleges (p. 401), that the Commissioner of Corporations found no cases of rebating in the oil industry in 1906. The report on the "Transportation of Petroleum" cited cases of secret rates on oil, and stated that the Southern Pacific almost invariably adopted the rebate in applying them. It is not true that the Hepburn act forbade the granting of free transportation to all persons except the carriers' own employees (p. 120). At least seventeen other classes of persons were enumerated. Mr. Haines relates that Mr. Harriman accumulated a fund with the aid of the borrowing powers of his company in 1905, with which he purchased a dominating interest in "each of the great railroad corporations directly competitive with the Union Pacific Railroad Company or whose lines were important factors in the traffic from the Atlantic Coast to its eastern termini" (p. 114). This is a gross exaggeration. Mr. Harriman did buy large amounts of railroad securities but he did not acquire a dominating interest, or anything closely approaching it in the Pennsylvania, the Southern, the Great Northern, the Northwestern, the Santa Fe, nor in a host of other lines which could be named.

It is difficult to see how 9,289 deaths in 1909 could have resulted from train service (p. 280), when only 8,722 persons in all were killed on American railroads during that year. There were 2,379 passengers injured from collisions in 1909, not 2,426 (p. 310). There were many more than 20 miles of railroad in operation in the United States in 1837 (p. 75). The Tenth Census puts the figure at 1,426, and Poor's *Manual* at 1,497 miles. It is not accurate to imply that European governments took over their railroads for military reasons (p. 175). Such reasons undoubtedly had weight; but the timidity of private capital, and dissatisfaction with the results of private operation were also important. Doubtless many European managers would be surprised to learn that government ownership tends to maintain a low wage scale for employees (p. 487). The reviewer has checked a considerable number of the figures in the text and appendix, and the result bears out the impression given above. While the majority of the statistics are probably correct, there are a number of careless mistakes, and in some instances the source of the figures is difficult to find. The statistics of average length of haul

(p. 360), for instance, do not tally with the figures given by the Interstate Commerce Commission, and no other reference is vouchsafed.

Aside from its inaccuracies, the book may be criticized at other points. Mr. Haines fails to see the strength of the case for a valuation based on cost of reproduction. It is not and should not be used for purposes of taxation, nor for the regulation of capitalization. The security holder and the assessor want to know what the railroad *is* worth, and this depends upon earnings. But it may be used in rate regulation because it represents what the railroad *would be* worth, if stripped of all monopoly power. Under conditions of free competition, value tends to equal the cost of producing an additional unit of supply, and this for a railroad means the cost of reproduction. A valuation on this basis, to repeat, may be taken to show not what the carrier is worth, but what it ought to be worth—the sum on which it is entitled to earn—and this is precisely what the rate-fixing authority may desire to know. Then again, the author's discussion of capitalization is unsatisfactory. It is late in the day to argue that earnings, on the whole, are reasonable because they do not yield more than 5 per cent on the capital stock (p. 217), and to offer, as evidence that the stock issue is moderate, the fact that the capitalization of European railroads exceeds that of our own. On the other hand, the author neglects a legitimate point on his own side when he fails to deduct from nominal capitalization a sum representing the interrailway holdings of securities.

Parts of the book are well done. The description of the reorganization of the New York street railways is admirable, and the treatment of the recent "Advance Rate cases" is good. The style is a little monotonous, but the author has a power of summary statement which he often uses to good effect. The whole discussion could have been condensed with advantage.

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Wholesale Prices, Canada. By R. H. COATS. Ottawa: Government Printing Bureau, 1910, 1911. 8vo, 1910, pp. x+134; 1911, pp. xiv+223.

These two volumes are annual reports supplementary to that published in 1910 by the Department of Labor on "Wholesale Prices in Canada, 1890-1910." The system then adopted is but slightly changed in method or content. However, to the 230 articles covered in the 1909 report, 6 were added in 1910, and 24 in 1911; on account of the difficulty in securing quotations one was